

**TOWN OF GREENWICH  
BOARD OF ESTIMATE AND TAXATION**

**Investment Advisory Committee (IAC)  
Meeting Minutes**

**September 7, 2023**

Present:

IAC Members: William Drake (via phone), Chairman, Harry Fisher, Miriam Kreuzer (via phone), David Weisbrod

Staff: Peter Mynarski, Comptroller; Nataliya Yemets, Treasurer

BET Member: Dan Ozizmir, BET Chairman; Leslie Tarkington

The meeting was called to order at 10:07 am by Acting Chairman Harry Fisher.

**1. Approval of the BET Investment Advisory Committee and OPEB Trust Board Concurrent Meeting Minutes of July 24, 2023**

Mr. Weisbrod made a motion to approve the July 24, 2023 meeting minutes, seconded by Mr. Fisher. The vote was 3-0-1 to approve the July 24, 2023 meeting minutes [Ms. Kreuzer joined the meeting after the vote].

**2. Update on the OPEB Trust Portfolio market value and asset allocations as of August 31, 2023**

Ms. Yemets reviewed the OPEB Trust Portfolio performance results for the months of July and August 2023. The OPEB Trust Portfolio gained \$1.2 million or 2.8% in July 2023, however, it lost \$1.1 million in August 2023. The fiscal year-to-date gain was \$163.0 thousand, and the ending market value of the Portfolio on August 31, 2023 was \$45.1 million. Allocations as of the end of August were as follows: 45.5% with US Equities, 29.5% with International Equities, 20.0% with US Fixed Income, and 5.1% with International Fixed Income, all within IPS guidelines. No rebalancing required.

**3. Review of Treasury Reports**

• **Town's cash position and invested cash allocations on August 31, 2023**

Ms. Yemets presented the July and August 2023 Treasurer's Reports, showing a General Fund cash balance of \$233.4 million on July 31, 2023 and \$235.0 million on August 31, 2023. General Fund appreciation for the month of July was \$668.0 thousand and for the month of August \$1.0 million. The total Town Cash position, including OPEB (excluding Retirement) on August 31, 2023 was \$388.2 million. Fiscal YTD appreciation for the General Fund was \$1.7 million.

The Committee briefly discussed Moody's lowering the credit rating of the Webster bank in August and how the Town's Treasury department reacted by reducing exposure to Webster and moving the balances to other banks. Ms. Yemets explained that Webster accounts are mostly used for deposits of coins collected from parking meters and that other banks refuse to accept coins. The Committee discussed the challenges and the costs of taking coins for parking and debated whether there might be another solution where the Town does not have to deal with coins. The meeting participants also talked about the history and the purpose of establishing a separate enterprise fund for parking operations.

Mr. Ozizmir inquired about the current balances in the Capital Projects fund, spending rate and potential arbitrage. Mr. Mynarski explained the arbitrage rules and assured that the Town spends bonded proceeds quickly enough to avoid any arbitrage. He also covered the timing and the process of issuing debt.

Ms. Yemets provided a schedule of invested cash allocations and noted that approximately 2.0% of all cash (excluding Retirement and OPEB) was allocated to the banks (JPM, TD, Webster), with the majority of cash funds invested in US Treasuries (43.2%), CT STIF (48.4%), and the CD Program (6.3%). Allocations are similar within the General Fund.

- **Bank interest rates and earnings credit rates**

Ms. Yemets reviewed interest rates and earnings credit rates for each bank, Certificates of Deposit and U.S. Treasuries, noting that following the Fed rate hike in July, interest rates increased across the board in August. JPMorgan raised their rate to 3.67%, TD increased to 3.35% and Webster went up to 2.45%. STIF interest rate was 5.34% in August, and STIF effective yield was 5.47%. The CD Program average yield was 2.66%, with current 3-, 6- and 12-month CDs currently offered at 5.35%.

At Mr. Weisbrod's request, Ms. Yemets went over the process of managing cash balances used to generate interest versus earnings credit and assured that they are managed to the best economic interest of the Town.

- **Investments in U.S. Treasury Bills**

Ms. Yemets reviewed a schedule of all U.S. Treasury investments which total \$151.5 million (face value) as of August 31, 2023, showing trade date, maturity date, quantity, price and yield to maturity for each bill. The schedule showed total investments in U.S. Treasuries for the General Fund of \$107.0 million, Capital Projects Fund of \$22.5 million, ARP COVID Recovery Fund of \$8.0 million, Capital Non-Recurring Fund of \$4.0 million and Sewer Maintenance Fund of \$10.0 million.

- **General Fund monthly cash flows: actual for July and August 2023 and projected for the remainder of fiscal year 2024**

Ms. Yemets presented the Cash Report for the General Fund cash flows and balances through August 31, 2023. Tax collections were \$141.5 million in July and \$32.0 million in August, conveyance tax was \$601.1 thousand in July and \$1.3 million in August, and there

was a \$4.0 million contribution to the General Fund from the Capital Non-Recurring Fund in August. Total inflows were \$146.7 million in July and \$41.6 million in August. Total outflows in July were \$72.7 million, which included the Town's annual contributions to the Retirement Plan and the OPEB Trust, semiannual payment to GEMs and July 15<sup>th</sup> debt service payments. Total outflows in August were \$40.0 million. The cash ending balance was \$233.4 million on July 31 and \$235.0 million on August 31, 2023.

4. **Old Business** - none
5. **New Business** - none
6. **Adjournment**

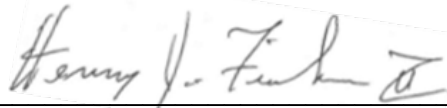
Upon a motion by Mr. Weisbrod, seconded by Mr. Fisher, to adjourn the Regular Meeting of the Investment Advisory Committee at 11:01 am, the Committee voted 4-0-0 to adjourn.

Respectfully submitted,



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Nataliya Yemets, Recording Secretary



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Harry Fisher, Acting Chairman, Investment Advisory Cmte

The next meeting of the IAC will be a concurrent meeting of the BET IAC and the OPEB Trust Board on Tuesday, October 17, 2023 at 10:00 am in the Mazza Room.